

Proposal to Split the Student Activity Fee

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Background: Until FY16, SGA allocated funding to the Campus Recreation Center and the Student Center through detailed line item budgets, similar to how SGA funds student organizations. This detail was deemed unnecessary as SGA funding represented only a portion of CRC and Student Center total funding. Thus, for FY16, SGA switched to a lump sum allocation model for many reasons, removing the minutiae of line item decisions:

- For this scale of budgets, it was unreasonable for SGA to be continually assess line item allocations as very few could understand the impact and scale of each line item.
- Line item restrictions could be readily and easily met by the organizations through their revenue accounts.
- We wanted to begin working on transitioning CRC and Student Center into separate fees that would break the Student Activity Fee into three separate fees. Making this change to our budget signaled student backing and was the first requisite step of the process.
- The fluctuations and funding uncertainties from year to year added unnecessary stresses on the CRC and Student Center as the student legislatures change from year to year.
- This change allowed us to focus our budget onto supporting only student-run orgs, and make this the sole charge of the Student Activity Fee.
- SGA had minimal control over much of the CRC and Student Center budgets as SGA could not edit or remove line items for professional staff (i.e. we had no HR authority over hiring, salary, and raise practices).

For FY17, we continued this transition of our allocation process to a fee model decided by MSFAC. Essentially, we broke up the SAF into three separate fees internally per the breakdowns voted on by MSFAC. However, in the eyes of the Board of Regents and the Bursar, there was still only one fee, the \$123 Student Activity Fee. This breakdown internally was based on the following fee breakdown but was technically allocated as the associated percentage of the Student Activity Fee revenue to ensure that the smaller summer fee instances were dispersed in the same ratio:

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| ● \$51 for the CRC | ● 41.46% for the CRC |
| ● \$32 for the Student Center | ● 26.02% for the Student Center |
| ● \$40 for Student Organizations | ● 32.52% for Student Orgs |

Proposal: This year, we propose the final step of this transition: the official split of the Student Activity Fee into the CRC Operations Fee, the Student Center Operations Fee, and the Student Activity Fee at the rates utilized internally in FY17. To accomplish this transition, three fee changes are required with the approval of MSFAC, President Peterson, and the Board of Regents:

1. The creation of a new fee (CRC Operations Fee) at \$51
2. The creation of a new fee (Student Center Operations Fee) at \$32
3. The reduction of the Student Activity Fee to \$40 (an \$83 decrease from \$123)

In addition to the points enumerated above, this split is proposed for the following reasons:

- Increased transparency will be achieved as students will see more specifically what departments their fees go toward.
- Requested increases in CRC, Student Center, or Student Organization funding levels can be considered more specifically and individually without affecting other levels. Currently, if the CRC or Student Center requested an increase, it would come at the expense of Student Organizations and the other department, unless an increase to the Student Activity Fee is requested and received first.
- As we look ahead to the new Student Center, an increase in the yearly operating budget will be needed. As of right now, that will require an increase in the Student Activity Fee, which will muddle explanations.